

SUBMISSION
of
The Hudson Bay Route Association
to the
Prime Minister
and
Members of the Dominion Cabinet
1958

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SUBMISSION OF

THE HUDSON BAY ROUTE ASSOCIATION

to the

PRIME MINISTER

and

MEMBERS OF THE DOMINION CABINET

1958

2. POLICY OF THE HUDSON BAY ROUTE ASSOCIATION:

TO: The Right Honorable John G. Diefenbaker,
Prime Minister of Canada
and Honorable Members of the Dominion Cabinet.

Re: The present state of the Port of Churchill and the Hudson Bay
Route, with suggestions from the Hudson Bay Route Association
for betterments and further and more varied development of the
Route.

Right Honorable Sir
and Members of the Dominion Cabinet:

Our delegation appreciates this opportunity to appear
before you on behalf of the Hudson Bay Route Association, and to
present its viewpoints and suggestions to the Government of Canada
and its officials.

1. THE HUDSON BAY ROUTE ASSOCIATION -- WHAT IT IS:

The Hudson Bay Route Association is a strictly voluntary,
non-political organization, comprised of people resident in Western

Canada's three Prairie Provinces and elsewhere. Since 1944 this Association has continued the work started by the "On-To-The-Bay Association. modern development may be said to date from 1944.

Our membership and finances come from individuals, municipalities, Boards of Trade, Chambers of Commerce, Business concerns, large and small, Co-Operatives, Farm Organizations. We are thus the spokesmen for people and organizations from all phases of the Western Canadian scene.

Grants are also received from the Governments of Manitoba and Saskatchewan. Policy is planned at Annual Conventions, at which the Directors, (who serve without pay) are elected.

2. POLICY OF THE HUDSON BAY ROUTE ASSOCIATION:

From its inception the Hudson Bay Route Association has continued to press upon the Dominion Government and others, the urgent necessity of an efficient, forward-looking development, and over the longest possible season, a successfully operated Hudson Bay Shipping Route. The resulting benefits which accrue to the people of the Prairie Provinces will also be in the national interest of Canada.

3. SUMMARY OF TRADE MOVEMENTS THROUGH CHURCHILL:

The Hudson Bay Railway and the Port of Churchill were developed because the Bay Route saves about one thousand miles of the distance from an average Prairie point to overseas markets, or the haul from the head of the lakes to Montreal. In addition many Prairie points are closer to Port Churchill than to the Head of the Lakes. These points are considered in the Churchill preferential area. (Exhibit "B2")

The commercial use of Churchill dates from 1931 when two vessels took out grain cargoes. Drought and depression resulted

in few cargoes in 1937 and 1938.

The Port was closed down during the war years of 1940 to 1945, so its modern development may be said to date from 1946.

Overseas shipments through Churchill in 1946 consisted of 3,000,000 bushels of wheat, 1,000,000 feet of lumber, 2,000 tons of flour, along with 40 tons of imports.

In 1957 the movement was as follows:-

Overseas exports:-

16,577,286.2 bushels of wheat in 46 vessels,
3,425 short tons of feed screenings for Montreal
56,756 bushels of feed oats to Liverpool.

Foreign Inward Movement:-

General cargo	4,575 tons
Oil (Esso Norfolk)	16,468 tons.

Coastal Trade:-

In	180 tons
Out	2,817 tons
	<hr/>
	24,040 tons.

4. PRESENT FACILITIES:

Present facilities at Churchill, owned by the Dominion of Canada, are as follows:-

(a) Elevator, with cleaners, drier, with storage capacity of 5,000,000, designed for easy extension to 10,000,000.

(b) Dock - 1858 feet in length, capable of expansion to berth 20 vessels.

(c) Transit shed floor area of 82,000 sq. ft.

(d) Terminal six miles of track serving all berth,
Track in shed.

(e) Somewhat aged, Float crane of ten tons. Locomotive
crane of 15 tons, a shear legs of 35 tons whose
design and value have been in dispute.

The Port of Churchill was one of the Canadian Ports which
showed a profit in 1956. A time has come when the provision of much
needed additional facilities must be provided to encourage a more
varied and greater tonnage through Churchill, and so further increase
the returns to Canada from this investment.

5. PRESENT POSITION AND VALUE OF THE BAY ROUTE TO CANADIAN TRADE:

The area served by the Bay Route and the Port of Churchill
covers all four Western Provinces. A review of the imports for the
1957 season shows a great variety of goods, under 34 general items,
destined to points from Winnipeg on the east, to Vancouver on the
west. The fact that the shorter Bay Route allows these goods to be
put down at competitive prices, means the earning of dollars by over-
seas countries, which are used in turn for the purchase of Canadian
products. This, we believe, could be a factor in furthering present
Government policy of the expansion of Canadian trade, especially with
The United Kingdom.

6. CHURCHILL AND THE WHEAT SITUATION:

The importance of shipping ever-increasing amounts of
wheat and other grains through Churchill is emphasized by a study of
the 1957 season. The price asked by the Canadian Wheat Board was as
high as 11 cents per bushel more than that asked for wheat from the
Head of the Lakes. Therefore the Western wheat grower probably

received in excess of \$1,500,000 more than they would have had the Churchill Route not been in existence. This, of course, added to Western purchasing power.

Very important also is the fact that the buyer saved about four cents per bushel, by the elimination of the Lake haul, which is usually paid in hard currency. This factor undoubtedly resulted in sales of Canadian Wheat in a difficult marketing situation, sales which otherwise might not have been made. (See Exhibit "B")

7. CHURCHILL AS A COASTAL SHIPPING, AND FUTURE DEMAND FACTOR:

Churchill is becoming of ever-increasing importance for coastal and supply shipping, and facilities at the Port should be extended at once to provide for and encourage development of this shipping. The provision of adequate facilities and the improvement of navigational aids along the Route is also warranted from the viewpoint of National Defence.

8. NAVIGATION CONDITIONS:

Many Captains, as reported in the Department of Transport's yearly edition of Navigation Conditions on the Hudson Bay Route, have urged that Aerial Ice Reconnaissance - plane to ship Radio - and frequent radio reports of ice conditions would be the most valuable aid to navigation.

The Hudson Bay Route Association understood that the C.G.S. "Montcalm" was to be stationed near the entrance of the Straits during the first two weeks of the 1957 season, released from all other duties, to advise ships of ice conditions, to convoy vessels through ice, and to give guidance from her helicopter. We feel that this assistance could be made very helpful to Bay Route shipping, and so

urge that this service be continued and improved for the 1958 and later seasons.

This Association has not too complete a picture of the operation of the patrols and reporting system in 1957, but does know that several ships, including the Warkworth were held up in icefields in the early part of the season. In this connection we draw attention to the valuable evidence provided in Exhibit "C", particularly as it relates to the "Montcalm".

We would suggest that:-

(a) A plane be stationed at a suitable point along the Hudson Straits and that it be on regular ice reconnaissance flights. Special flights should be operated to give guidance to individual ships as called upon.

(b) That the service be intensified during the first three weeks of the season of navigation.

(c) That there be a much more effective and up-to-the-minute ice reporting system instituted. Shipping should be required to report at regular times (as well as when special circumstances warrant) of ice and other conditions to the Ice Information Officer. And, as suggested by several captains, the latest ice information should be broadcast at four hourly intervals from the patrol ship and land stations, and all shipping be advised of this service. It is also claimed that the shore stations are so busy with other work that shipping has some difficulty contacting them or getting the information wanted.

9. LENGTH OF SEASON OF NAVIGATION AT MINIMUM INSURANCE RATES:

(a) The season of navigation allows entry of ships past Cape Chidley at 12.01 a.m. on July 23rd and leave Churchill by midnight

October 15th. By payment of a surcharge, vessels may leave Churchill as late as October 20th.

The Hudson Bay Route Association supports Captain N. Thomson of S.S. "Warkworth" R.S. Dalglish Co., Ltd., who has sailed through the Straits sixteen times since 1950, when he requests, "I think a ship should be permitted to pass Cape Chidley at NOON on the 22nd of July, and not at midnight, thus giving nine or ten hours of daylight before and after passing Cape Chidley".

The Hudson Bay Route Association asks the Dominion Government to request the Imperial Shipping Committee, London, and the Underwriters to permit vessels to enter the Straits at noon on July 22nd.

That inasmuch as the Hudson Bay shipping is assessed a surcharge on their marine insurance, the same as the St. Lawrence Seaway is for April and October, and inasmuch as it is our considered opinion, after discussing the matter with responsible officials, that there is no greater danger on the Hudson Bay Route from August 13th to September 30th, we feel that this surcharge should be removed for this period as this period compares very favorably with the same period on the St. Lawrence when no surcharge is made. We would suggest that this matter be taken up with Sir Clement Jones, Commonwealth Shipping Committee, Berkley Square House, London W. 1, England, by your Government for reconsideration.

(b) We also repeat our previous request that the Department of Transport, National Harbours Board and Department of Mines and Technical Surveys combine to make a special study of all factors involved in the keeping of Port Churchill open and in use by commercial shipping at minimum insurance rates until October 30th. It is suggested that some of the factors studied would include, meteorological and ice

records, possible jetty construction to eliminate slob ice trouble, a dam above tidewater in the Churchill river, to overcome ice trouble and to provide drinking water, the possible use of the "bubble system" to keep the mile of water from the docks to open water of the Bay clear and safe.

10. OTHER NAVIGATIONAL AIDS REQUESTED AND WARRANTED BY INCREASING TRAFFIC:

The Hudson Bay Route Association finds the following requested again and again by Masters who use the Bay Route, and suggests that these improvements be effected as soon as possible.

(1) The Most important is at Mansell Island. Low-lying Mansell Island is frequently referred to as a navigational hazard, and many captains have urged that radar reflectors and radio beacons should be erected there.

(2) The power of the lights needs increasing, and the poles and beacons painted.

(3) Vessels, especially those without radar, often have difficulty fetching Resolution Island, and we find repetition of these requests.

(a) Radio Beacon on Resolution or Lacy Island.

(b) Radio Beacon on Button Islands.

(4) Eskimo Point - Requests for Radio Beacon.

(5) Churchill - Requests for Fog Horn and Lighted Buoys. Lighted Buoys would allow night arrivals or departures of shipping, thus cutting their costs and making the Port more attractive to ship owners.

11. FACILITIES AT CHURCHILL:

(a) Traffic through Churchill is increasing, and with

mining, defence and supply developments, will further increase. For some years now, present facilities are proving more and more inadequate to meet the demands being placed upon them.

Coastal shippers are complaining of loss and inconvenience, because of lack of berth space, frequent changes of berth, and the consequent expensive, retruckng of supplies to the vessels in their new positions.

The Association on behalf of itself, and in support of such companies as the Hudson Bay Company, requests the National Harbours Board to erect, before the opening of the 1958 shipping season, a shed of suitable size at the coastal vessel berth at the north end of the main dock to accommodate coastal and supply trade for both private and government vessels. (See Exhibit "A") We suggest that the National Harbours Board give consideration to enlargement of the main shed also.

(b) Urgent Need for Immediate Enlargement of the Dock.

A situation which has become increasingly apparent over the last few years, is the number of ships which arrive at Churchill, and are unable to find a berth, and have to lie off at anchor in the Bay, at expense, in an exposed position, which sometimes has necessitated putting out to sea to escape storm dangers, especially at the time of equinoxial gales.

The need for more dock and berth space is shown by the increase in shipping using the Port in 1957. A summary of the larger ships is as follows:-

(a) Grain Ships	46 & 1	(d) Lake vessels	3
(b) Coastal ships	11	(e) Government ships	5
(c) Oil Tankers	1		

The number of ships and days lost awaiting berth space is increasing, each year, because of lack of dock space. While it is

admitted that 1957 saw more ships lying off Churchill than usual, it is a developing situation and is occurring annually at both ends of the season.

At the opening of the season 1957, there were at one time three ships at berth and seven at anchor, with several others tied up in the ice in the Strait.

A study of this problem has been made and reported to our Directorate as follows:-

(c) Turnround of ships - 1957

From August 2nd to 17th, 1957, there was an average of four ships at the docks and three at anchor outside.

From August 18th to 26th of September, berths were available for all ships upon arrival at Churchill.

From September 27th to October 4th, there was further congestion and an average of 6 ships were on hand for the four berths available.

Time lost by ships between arrival and docking is roughly indicated as follows:-

Number of ships docking upon arrival	22
Number of ships docking after one day of arrival	8
Number of ships docking after two days of arrival	2
Number of ships docking after three days of arrival	4
Number of ships docking after four days of arrival	2
Number of ships docking after five days of arrival	9
Number of ships docking after six days of arrival	2

The time lost by all ships unable to dock upon arrival is roughly equivalent to one ship for 89 days. If an average cost of \$1,000.00 per day is assumed, the loss is roughly in the neighbourhood of \$89,000.00 to ship owners or charterers.

You, Sir, will be able to appreciate along with us how detrimental to the Port of Churchill this deteriorating situation can become.

The Hudson Bay Route Association most strongly urges upon the Government and its agent the National Harbours Board the following immediate action to correct this damaging situation.

(1) The immediate enlarging of the main dock to provide two more berths capable of accommodating the larger ocean freighters and tankers now in use. Along with this, the provision of galleries and grain spouts and other facilities to service these new berths.

(2) As a stop-gap measure to provide safer anchorage, it has been suggested to the Hudson Bay Route Association by Masters and Agents, that Tying-up-Buoys be provided in the deep hole in the harbour for the 1958 season, so that two or three ships could be given safer anchorage there.

(3) We suggest that the deep hole in the harbour be dredged to give safe anchorage to more vessels, and that in view of the larger size of ships now using Churchill, the turning basin and channel be enlarged and deepened. (See Exhibit "A")

(d) Heavy Lift Equipment

The provision of adequate facilities is a prerequisite of further tonnage. The present lift equipment at Churchill is limited in tonnage, and becoming aged. The design of the shear legs has been declared by possible users as unsuitable, as well as not being big enough to handle loads, as the 48 ton generators which have already passed through Churchill. The mining development at places such as Moak and Mystery Lakes and elsewhere, the growing needs of defense indicate a need for larger and more up-to-date lift equipment. The Hudson Bay Route Association again asks the Government and the National Harbours Board to place at Churchill a lift of 60 to 75 tons. Possibly, as has been the case at Toronto, this lift could

also be designed for use as a dredge.

12. RAILWAYS:

(a) On July 23rd last, you acknowledged receipt of a "Submission" entitled "Bridge the Gap Railway subsidy re freight rate percentages" to be made applicable to the Hudson Bay Railway, and that you advised at that time that your attention along with that of the Minister of Transport would be given this important matter. We urge the immediate consideration of this matter.

(b) We would urgently request that "Agreed Railway Freight Rate Tariff" charges be made applicable to the Port of Churchill and the Hudson Bay Railway.

(c) Movement through Churchill also eased the inland elevator storage situation as movement from the 300 C.N.R. points in the Preferential Freight Rate area made space to which the farmer could haul grain to his local elevator. In fairness to farmers on the C.P.R. lines, there should be movement from C.P.R. points, so that they too could benefit.

We recommend that your Government make a workable arrangement with the C.P.R. (Western Lines) to allow them running rights over the Hudson Bay Railway, in order that points on the C.P.R. lines will receive the same consideration as points on the C.N.R. (See Exhibit "B 2")

(d) That your Government consider amending "Order in Council" Number P.C. 3340 dated at Ottawa, July 27th, 1948, between Government owned Hudson Bay Railway and Canadian National Railway Company - Lessee, to read and provide for greater equalized operating arrangements over the said Hudson Bay Railway as follows:-

- (1) That damage costs re train derailments covering equipment, goods being moved, trackage, deaths or injuries resulting through casualty incidents when the cause for same is attributed directly to the Lessee's irresponsible employees while in control at the time of said incidents, shall be a financial responsibility of the Lessee who operate and manage the said Hudson Bay Railway.
- (2) That the Government owned Hudson Bay Railway shall not be considered or treated as a "Foreign Railway Line" for revenue and expenditure purposes by the Lessee, but shall be managed and operated by the Lessee in a manner similar in every respect to the method and practice adopted and in force by the Lessee, and used by the Company in the operation and management of the Canadian National Railways, particularly with respect to the per diem rental charges covering all National Railway Companies owned revenue bearing cars while being moved over the said Hudson Bay Railway.
- (3) That an on-the-work "Supervisory Authority" composed of three experts VIZ Engineer-Traffic Officer-Accountant, appointed by the Dominion Government shall be empowered to recommend, inspect, supervise and promote for expansion and betterment purposes all operating profitable activities involving the maintenance and operation of the Hudson Bay Railway for the protection and benefit of

the public interest and equity of the said Dominion Government owned transportation utility, the Hudson Bay Railway, while under its present working and operating arrangement.

Attached is a copy of the present Order in Council, P.C. 3340. (See Exhibit "D")

(e) We regret that your Government did not arrange for the immediate inclusion of earnings derived from the operation of the recently constructed 30 mile Branch line from off the Hudson Bay Railway at Sipiwesk, mileage 200 and terminating at the new town of Thompson, to be credited to the account of the said Hudson Bay Railway operation, in order to financially assist in the future elimination of possible yearly deficits accruing from the operation of the Government owned Hudson Bay Railway, in view of the fact that this Branch line is an addition to the said Hudson Bay Railway line.

(f) In as much as the Province of Manitoba has no direct connecting link by rail to the Hudson Bay Railway, causing a great deal of expense and delay and lack of service to those in Manitoba who would like to utilize the Churchill Route, we strongly urge upon the Government the early completion of the C.N.R. line from Gypsumville to Wekusko.

13. TERMINAL GRAIN STORAGE INCREASE:

In order to assure sufficient supplies of grain at the time of arrival of the ocean ships and also in order that no undue tying up of railway grain cars occur during the shipping season, we would respectfully urge that an extension of 5 million bushel space for the storage of grain be provided. (See Exhibit "B")

14. PORT OF CHURCHILL:

We would respectfully urge that your Government, in co-operation with the Government of Manitoba, take immediate steps to assist in solving the problems of power, water and sewerage system at Churchill, as at the present time this is creating a detriment to the growth of the community.

15. MISCELLANEOUS:

Realizing that in this day it is only normal that considerable traffic is carried on by other means than railways, also realizing that the settlement of Churchill and the growth of the North in particular would be greatly enhanced by the building of a highway to connect Churchill with the so-called Prairies.

We would therefore respectfully urge your Government to immediately offer assistance to the Province of Manitoba for the study and commencement of a highway to Churchill, such as a continuance of the road from Snow Lake to Thompson and on to Churchill.

Our Association appreciates very much having had this opportunity of presenting this Hudson Bay Route Association submission to you and to your Cabinet Ministers and officials.

We feel that all of our requests have an urgency which warrants their approval and speedy implementation. However, in conclusion may we re-iterate those actions and improvements which we feel most definitely should be carried out in 1958.

(1) Shipment of at least 20 million bushels of wheat, in addition to other grains and to screenings in the 1958 shipping season through Churchill.

(2) The erection of a warehouse on the dock for coastal and supply cargoes BEFORE the opening of

the 1958 season.

(3) Work should start on enlarging the dock to berth two more ocean vessels.

(4) A more comprehensive and effective Aerial Ice Patrol and reporting, along with surface patrol vessel assistance and guidance, not only in the Bay, but along the Straits and Atlantic approaches.

With such exciting and vital developments taking place in Canada's North, the need for an efficiently-operated and ever-developing Hudson Bay Shipping Route, becomes ever greater, and the Bay Route in its turn can contribute much to the growth and well-being of all of our country, Canada. Your Government's assistance along the lines suggested in this Submission by the Hudson Bay Route Association will be worthy of the fullest appreciation and commendation.

All of which is respectfully submitted.

President - W. G. Streeton

Vice-President - J. S. Woodward

Executive Directors - S. B. Caskey
R. H. MacNeill
F. J. Appleby
S. N. MacEachern
W. A. Richford
C. R. McIntosh

Secretary-Treasurer - Jas. F. Gray

HUDSON BAY ROUTE ASSOCIATION

1231 - 10th Street East
Saskatoon, Sask.

EXHIBIT "A"

1. Re the urgent need for the erection of a shed for coastal and supply shipping cargoes in time for the 1958 shipping season.

Evidence: Mr. W. E. Brown, Transport Manager, Fur Trade Department Hudson's Bay Company, in a letter to the Association dated November 7th, 1957, states:-

"Insofar as Churchill is concerned, there is a very serious need of a suitable berth for the loading of coastal vessels, and in my discussions with members of the Harbours Board in Ottawa, they inform me that steps would be taken for the deepening of the north end of the pier dock, thus rendering it suitable for the loading of coastal vessels. I believe this work has already been undertaken, or at least partially completed.

Another essential item is a freight shed for coastal freighting, as the present warehouse is too far and too inaccessible from the north end of the dock for economical handling of freight.

If the oil tanks have too seriously cut down on the space available for a transit warehouse at the north end of the dock, then a suitable warehouse should be built at the south end of the dock where coasting vessels could berth and load.

Under present conditions, considerable delay is experienced by small vessels in loading for coastwise service. This is an extremely serious state of affairs as the shipping season is so short in those areas."

2. Operation of the Port and Elevator and Improvements needed.

(a) Due to congestion caused through packed ice conditions early in the season, a number of ships (as many as four at one time) had to lay at anchor outside the harbour while waiting

for a loading berth. The Harbour is too shallow to allow ships to anchor in its protected area. (N.B. There is a hole which could be dredged to give more protection. - W.A.R.)

(b) When a berth became available and a ship was put into the berth then the work of fitting her with bulkheads etc., would be started with a delay then of perhaps a day while this work was being done.

(c) Small coastal freighters such as the Hudson Bay Transport boats were held up due to no room being available for them at the dock.

3. Suggestions for Improving Dock Facilities, Etc.

(a) It is suggested that the present dock at Port Churchill be extended to make room for a Lay Berth for grain ships arriving here in need of having shifting boards installed and other work performed before being ready to take on cargo. This would eliminate such ships occupying loading berths while work is being done and causing a delay in other ships which are ready to load.

(b) Coastal vessels and other small carriers at present have no recognized berth and in most cases have to load at the south end of the present dock. As the pier shed is closer to the north end of the present dock, this necessitates a large part of their cargoes being trucked from the pier shed to the ship's side, causing a lot of extra delay, expense and confusion. It is suggested that:-

"As the north end of the present dock has been altered and the berth deepened to accommodate small vessels such as oil tankers loading from the new Oil Storage here, that a pier shed be built to accommodate all Northern freight which is loaded on these

small coastal freighters and others throughout the season. This would leave the large dock free to handle large ships and would no doubt eliminate a lot of delay to both coastal and ocean going ships entering the Port.

CHURCHILL CHAMBER OF COMMERCE

October 17th ,1957.

Mrs. Louis Wolfe
President

Rufus Wolfe
Vice- President

Harry Wolfe
Sec.-Treas.

Sorel,
Three Rivers
Halifax
Saint John
Churchill, Man.

WOLFE STEVEDORES LIMITED
Board of Trade Building
Montreal 1.

Montreal,
December 31st, 1957

Mr. W. A. Richford
Executive Director
Hudson Bay Route Association
325 Norquay, Sask.

Dear Mr. Richford,

I am in receipt of your letter of twenty-sixth inst., and am in accord with the findings of the Association.

In my experience of handling ships at Churchill one of the very great handicaps to the port is the lack of berthing facilities for vessels waiting their turn to load at the elevator. Despite the fact that there is sufficient berthing for three ocean vessels and a coaster alongside with the present facilities, there were many occasions in the past shippings seasons, where vessels were compelled to wait at the entrance to the port and were unable to tender notice to the shippers and do any work necessary, preparatory to loading, which was very costly to those owners involved.

I understand that a small shed is being built at the end of the Pier, which will be used by coasting vessels, which should ameliorate some of the congestion that arises every season.

The present freight shed is a modern one, but could be vastly improved by hard surfacing the floor which presently is of wooden construction and with the use of lift trucks does present problems. The shed has only a single track on the car loading side and if this could be double tracked it would facilitate the movement of freight to and from railway cars.

Trusting that the above will be of assistance to you,

I remain,

Yours very truly,

WOLFE STEVEDORES LIMITED

(Signed) Rufus Wolfe, Vice-President.

EXHIBIT "B"

Cost per bushel of Moving Wheat From -- In store
Churchill, Man., to -- C.I.F. Liverpool, England -- Full outrun
guaranteed - Basis "2 N."

TABLE IV SASKATCHEWAN WHEAT POOL STATISTICAL REPORT TO CONVENTION

	<u>1957</u>	<u>Shipping Costs August 1st.</u>	<u>1956</u>
Shipping Cost	28.979		36.698
#2 in Store			
Churchill June 4.	<u>169,750</u>		<u>183,000</u>
C.I.F. Liverpool	198.729		219.698

TABLE V

Vancouver	<u>30,287</u> <u>163.750</u>	<u>58.710</u> <u>172.000</u>
C.I.F. Liverpool	194.037	230.710

TABLE VI

Fort William	44.693	54.547
Port Arthur		
No. 2 in store	<u>158.750</u>	<u>172.00</u>
	<u>203.443</u>	<u>226.547</u>

The Wheat Pool States: "The foregoing tables show the cost of shipping wheat from Churchill, Vancouver and Fort William-Port Arthur to the United Kingdom for last year and this year. Because of variations in shipping rates depending on the individual transactions, it has been necessary to estimate the rates from Churchill and Vancouver on the basis of recent information.

The above statements show the comparative costs per

bushel for both seasons as follows:-

TABLE II

	<u>From</u>	<u>June 1957</u>	<u>June 1956</u>
Churchill (August Shipment)		29¢	37¢
Lakehead (June Shipment)		44.7	54.5
Vancouver (June Shipment)		30.3	58.7

Substantial reductions in ocean freight rates since one year ago, have reduced shipping costs at all ports. It will be noted that Churchill still maintains a considerable advantage over the Lakehead, although the margin with respect to Vancouver has been almost wiped out. (N.B. Since adjusted.) This latter situation is probably temporary due to the present unsettled ocean freight situation. Under a more normal relationship Vancouver rates are usually somewhat higher than Churchill.

It will also be noted that the Wheat Board recent selling price for No. 2 Northern is 11¢ above Lakehead price, and 6¢ above Vancouver. This higher selling price is, of course, reflected in returns to farmers from the Wheat Board interim and final payments. These factors are an important consideration, and justify continued efforts to obtain an ever-increasing share of the wheat movement through the Port of Churchill.

3¢	1,649,230		1,649,230	20.51	
4¢	273,260	SASKATCHEWAN WHEAT POOL	273,260	3.38	
TOTAL	2,123,981	11.445	2,090	8,157,508	100.00
% of each Grade to Total	99.83%	.14%	.05%	100%	

Gross Shipping Weights as shown above differ from Net Unloads but show the grades as shipped by our agents.

EXHIBIT "B 2"

TABLE II

NUMBER OF POOL ELEVATORS AT WHICH A FREIGHT
DIFFERENTIAL EXISTS IN FAVOR OF CHURCHILL
(ALL C.N.R. STATIONS)

<u>Per 100 lbs.</u>	<u>Per Bus.</u>	<u>Points</u>
4¢	(2.40¢)	12
3¢	(1.80¢)	43
2¢	(1.20¢)	94
1¢	(.60¢)	151
Even		58
		<u>358</u>

TABLE III

SASKATCHEWAN WHEAT POOL
Country Elevator Division

SUMMARY
GROSS WHEAT SHIPMENTS TO CHURCHILL--SHIPPING SEASON 1956
BY FREIGHT DIFFERENTIALS AND GRADES
(Agents' Shipping Weights and Grades)

<u>Rate of Differential in favor of Churchill compared with Lakehead</u>	<u>Number of Bushels</u>			<u>% of each Differential to Total</u>	
	<u>2°</u>	<u>3°</u>	<u>Tf. 3°</u>	<u>Total</u>	
Even	785,347	11,445	2,080	798,872	9.82
1¢	3,036,296			3,036,296	37.31
2¢	2,359,848			2,359,848	29.00
3¢	1,669,230			1,669,230	20.51
4¢	273,260			273,260	3.36
TOTAL	8,123,981	11,445	2,080	8,137,506	100.00
% of each Grade to Total	99.83%	.14%	.03%	100%	

Gross Shipping Weights as shown above differ from Net Unloads but show the grades as shipped by our agents.

which had been given to us EXHIBIT "C"

Sir:-

This Association feels that some of the strongest evidence and support of our requests is that which comes from those owners who are putting their vessels through the Bay Route.

Mr. S.S.W. (peter Dalglish, whose firm has used the route since 1932 and so has more experience than any other ship-owner, who is the only ship-owner actively working for and putting his vessels on berth for Westbound tonnage and who yearly visits Canada in this promotion effort, comments, at our request, on the 1957 season and offers some very pertinent recommendations.

It is noted that he feels more berth space, more grain loading facilities are urgent. He also offers the request that the Port Warden clear ships for loading as they lie off the Harbours so that their time may count.

We append the pertinent paragraphs of his letter of December 2nd, as Exhibit "C".

Newcastle On Tyne,
December 2nd, 1957.

ICE CONDITIONS:

As you know I saw the authorities in Ottawa this year. I also met the Captains of two of the Ice Breakers and the Ice Information Officer. As a result, I expected that this year things would go very much better. THIS IN PRACTICE DID NOT HAPPEN. The Ice Information officer did all he could and we have no complaint against him at all. We were, however, surprised that the "Montcalm" did not appear on the scene at all, and therefore neither she nor her helicopter were of use to us. This was in spite of promises

which had been given to us.

As you know, ice conditions this year were as bad as they have ever been.

For your guidance there was at one time an S.O.S. because it was feared that one of the icebreakers was short of fuel. When we heard this we offered to replenish the Ice Breaker from our fuel. This was not necessary, but we did feel that we had done all we could on our side to do the job as efficiently as possible, and so far, owing to the absence of surface craft in the vicinity we have not had all the help that we and the Underwriters in London expect.

HARBOUR INSTALLATIONS:

This is the one you should tackle urgently. You will realize that the putting up of further berths is a job which will take several years. Obviously, with the traffic increasing, more berths are now a necessity, but equally important and much easier to instal is the provision of further grain loading appliances. Ships were held up this year because the grain could not be loaded into more than two ships at the same time. This should be remedied immediately.

The other point in connection with the Harbour Installations is a technical one about loading grain. In all other ports in Canada, a ship is considered ready to load when she has been passed by the Port Warden. In Churchill this year, ships were lying off the Port ready to load, but their time could not count, because the Port Warden could not get out to them. This might be remedied by the suggestion made by Mr. Voss of Lay-to-Buoys, but some system must be set up whereby the ships are not penalized, but get their time counted as soon as they anchor off the Port. The

position will of course be improved if the previous suggestions are put into effect, but for the 1958 season, some action involving visits to ships at the anchorage by the authorities immediately on arrival, seems to be necessary.

There were two periods this year, when ships were detained in this manner, one during the early days of August and the other towards the end of September. In the first period a total of 59 ships days were lost and the second period 26 ships days were lost.

Yours sincerely,

(Sgd.) Peter Dalglish.

EXHIBIT "D"

P.C. 3340

AT THE GOVERNMENT HOUSE AT OTTAWA

TUESDAY, the 27th day of JULY, 1948.

PRESENT:

HIS EXCELLENCY

THE GOVERNOR GENERAL IN COUNCIL:

WHEREAS the Minister of Transport reports:

THAT by Order in Council P.C. 115 of 20th January, 1923, the Hudson Bay Railway (hereinafter called the "Railway"), which is included in the properties known as the Canadian Government Railways, was entrusted to the Canadian National Railway Company (hereinafter called the "Company") for management and operation;

THAT by Order in Council P.C. 974 of 25th June, 1926, the management and operation of the Railway was terminated and withdrawn from the Company, pending completion of the works of construction and betterment of the Railway;

THAT the construction of the Railway has been substantially completed and the Railway has been and is being operated for the Department of Transport by the Company under separate appropriations provided annually by Parliament for deficit and capital purposes;

THAT in order that the tariffs of the Railway and the conditions of operation of the Railway shall continue to compare favourably with those of other railways which are subject to the provisions of the Railway Act and the jurisdiction of the Board of Transport Commissioners, it is considered advisable to re-entrust to the Canadian National Railway Company the operation and management of

the Hudson Bay Railway, subject to the conditions that the budgeting and the accounts of the Railway shall not be included with those of the Company;

THAT, in the circumstances, the Company will have certain equipment which may be utilized and certain employees who may be employed in the execution from time to time of works of addition and betterment, maintenance and operation of the Railway;

NOW, THEREFORE, His Excellency the Governor General in Council, on the recommendation of the Minister of Transport and pursuant to the provisions of section 19 of the Canadian National Railways Act, Revised Statutes of Canada, 1927, chapter 172, is pleased to order and doth hereby order that the management and operation of the Hudson Bay Railway be as from and after the first day of August, 1948, entrusted to the Canadian National Railway Company, subject to the condition that the Financial arrangements presently in effect and as hereinafter expressed shall be continued and, otherwise, upon the terms in the said Act expressly specified, namely, that such management and operation shall continue during the pleasure of the Governor in Council and shall be subject to termination or variation from time to time in whole or in part by the Governor in Council;

His Excellency is further pleased to order and doth hereby order that it be a condition in respect of the entrusting of the management and operation of the Railway to the Company that the Company shall:

- (a) Collect all revenues accruing from the operation of the Railway, including rentals;
- (b) Furnish and supply to the Railway at points where required on the Railway for and at the actual cost,

including transportation and other handling charges to the Company for the same, all materials, articles and things necessary for the execution from time to time of works of addition and betterment, maintenance and operation of the Railway;

- (c) Furnish and supply to the Railway for the use in the execution from time to time of works of addition and betterment, maintenance and operation, certain equipment of the Company, at fair and reasonable rentals to be agreed upon from time to time or failing agreement, as may be fixed by the Deputy Minister of the Department of Transport;
- (d) Furnish and provide for and under the employment of the Railway certain employees of the Company and such other employees or laborers as are necessary for the execution from time to time of works of addition and betterment, maintenance and operation, paying all wages for such employees and laborers direct in the first instance;
- (e) Remit to the Minister of Transport promptly after the close of each fiscal year any surplus of revenues over expenditures, for deposit into the Consolidated Revenue Fund;

and the Department of Transport will pay, monthly, the difference between the expenditures of the Company for the operation and maintenance of the Railway and the revenues accruing from the operation thereof and will pay to the Company from time to time the expenditures incurred by the Company in the execution of works of addition and betterment of the Railway.

Clerk of the Privy Council.

